REMARKS

The pending claims were rejected in the Office Action as being obvious based on Farr (U.S. Patent 7,257,555) and an article entitled "FSA forgoes conventional wisdom in characterizing a remarketing payment under a callable/puttable bond," by Jo Lynn Ricks (herein "FSA"). Applicants traverse the rejection as follows.

Independent method claim 13 states that the remarketable security is remarketed at the remarketing time with a different denomination that the remarketable security had at issuance. That is, the issuance denomination of the remarketable security is different from the remarketing denomination of the remarketable security. For example, the present application discloses that the issuance denomination may be $25 par value and the remarketing denomination may be $1000 par value.

The Office Action admits that Farr does not disclose this limitation, but it states that FSA discloses the limitation. This appears to represent a misunderstanding of the FSA paper. The FSA paper does not discuss the denominations of remarketable securities, much less a situation where the issuance denomination of the remarketable security is different from the remarketing denomination of the remarketable security. The Office Action cites page 2, paragraphs 2-3, of FSA as disclosing this feature. These paragraphs, however, deal with the *interest rate* of the remarketable security – not the *denomination*. The interest rate is the rate of interest that the issuer on the securities pays to the holders of the securities. The denomination, on the other hand, is the face or par value of the security – not the interest rate.

For at least this reason, applicants submit that claim 13 and its dependent claims are nonobvious in view of the cited references. For analogous reasons, applicants submit that claim 38 is nonobvious because it is similar to claim 13.

Independent claim 32 states that the remarketing coupon frequency of the remarketable security at the remarketing is different from the issue coupon frequency. The example provided in the present application is that the issue coupon frequency is quarterly and the remarketing coupon frequency is semi-annually.

Again the Office Action admits that Farr does not disclose this limitation, but asserts that FSA discloses it, citing page 2, paragraph 2 of FSA. Again, this appears to represent a misunderstanding of the FSA paper. The FSA paper does not discuss the coupon frequencies of remarketable securities, much less a situation where the issue coupon frequency is different from the remarketing coupon frequency. Page 2, paragraph 2, of FSA deals with the interest rate of the remarketable security – not the coupon frequency. The interest rate is the rate of interest that the issuer on the securities pays to the holders of the securities. The coupon frequency, on the other hand, is the frequency at which the coupon, or interest, payments are made to the holders of the securities.

For at least this reason, applicants submit that claim 32 and its dependent claims are nonobvious in view of the cited references. For analogous reasons, applicants submit that claim 39 is nonobvious because it is similar to claim 32.

Independent claim 36 states that the security at issuance has an issuer interest rate deferral option, but at remarketing, the security does not have the issuer interest rate deferral option. Thus, the remarketed security is enhanced by removal of the issuer interest rate deferral option. The Office Action states that Farr discloses this limitation at column 15, lines 12-13. Farr, however, does not have fifteen columns. Furthermore, Farr does not discuss issuer interest rate deferral options, much less a situation where the issuer interest rate deferral option is removed at remarketing.

For at least this reason, applicants submit that claim 36 and its dependent claim are nonobvious in view of the cited references. For analogous reasons, applicants submit that claim 40 is nonobvious because it is similar to claim 36.

CONCLUSION

Applicants respectfully submit that all of the claims presented in the present application, as either amended or initially presented in this response, are in condition for allowance. Applicants' present Amendment should not in any way be taken as acquiescence to any of the specific assertions, statements, etc., presented in the Office Action not explicitly addressed herein. Applicants reserve the right to address specifically all such assertions and statements in subsequent responses.

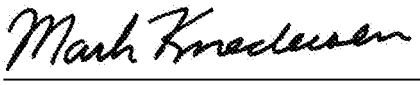
Applicants do not concede the correctness of the Office Action's rejection with respect to any of the dependent claims discussed above. Accordingly, Applicants hereby reserve the right to make additional arguments as may be necessary to distinguish further the dependent claims from the cited references, taken alone or in combination, based on additional features contained in the dependent claims that were not discussed above. A detailed discussion of these differences is believed to be unnecessary at this time in view of the basic differences in the independent claims pointed out above.

Applicants have made a diligent effort to properly respond to the Office Action and believe that the claims are in condition for allowance. If the Examiner has any remaining

concerns, the Examiner is invited to contact the undersigned at the telephone number set forth below so that such concerns may be expeditiously addressed.

Respectfully submitted,

Date: April 30, 2009



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